

Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: January 20, 2016

SUBJECT: Fiscal Impact Statement – “Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2016”

REFERENCE: Bill 21-399, Committee Print given to the Office of Revenue Analysis on January 6, 2016.

Conclusion

Funds are not sufficient in the fiscal year 2016 through fiscal year 2019 budget and financial plan to implement the bill. The Department of Employment Services will require \$2,598,940 in fiscal year 2016, and \$10,395,765 in the fiscal year 2016 through 2019 financial plan to implement the bill.

Background

In 2015, 1,000 youth between the ages of 22 and 24 participated in the Department of Employment Services’ Mayor Marion S. Barry Summer Youth Employment Program (“SYEP”). The SYEP for this age group ran under a temporary authorization for 2015;¹ the Council asked the Mayor² to assess and evaluate employment outcomes for 22- to 24- year-old participants in 2015 before making the program permanent. The bill permanently authorizes up to 1,500 annual 22- to 24- year olds participants, and sets their wage to \$9.25 per hour.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2016 through fiscal year 2019 budget and financial plan to implement the bill.

¹ “Youth Employment and Work Readiness Training Temporary Amendment Act of 2015,” Law21-23 Effective from September 17, 2015, Expires on April 29, 2016.

² Subtitle (II)(D) of Bill 21-158, “Fiscal Year 2016 Budget Support Act of 2015.”

The Honorable Phil Mendelson

FIS: "Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2015," Bill 21-399,
Committee Print given to the Office of Revenue Analysis on January 6, 2016.

Adding up to 1,500 youth new participants to SYEP will increase wage expenditures by \$2,598,940 in fiscal year 2016, and \$10,395,765 in the fiscal year 2016 through 2019 budget and financial plan.

| Fiscal Impact of Bill 21-399 Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2016 FY 2016 through FY 2019 | | | | | |
|---|----------------|----------------|----------------|----------------|---------------------|
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | TOTAL |
| Total Cost of wages for 1,500 22-24 year old participants^(a) | \$2,598,940 | \$2,598,940 | \$2,598,940 | \$2,598,940 | \$10,395,761 |

^(a) Assumes each participant works 174 hours each summer. The authorized hourly wage for SYEP participants is \$9.25 before payroll taxes and \$9.93 after payroll taxes.

Once DOES confirms SYEP enrollment numbers at the start of the 2016 program, if forecasted expenditures exceed available budget, the District must either scale back or identify additional funding. It is important to note that during fiscal year 2014, DOES required an additional \$3.5 million to cover all of SYEP's costs, which was transferred from contingency reserves. In fiscal year 2015, DOES required an additional \$2.5 million to cover all of SYEP's costs, which was reprogramed from other sources within DOES.